



LINCOLN-LANCASTER COUNTY
HEALTH DEPARTMENT

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February 9, 2016

Senator Mike Gloor, Chair
Revenue Committee
District 35
State Capitol, Room #1116
PO Box 94604
Lincoln, NE 68509

Re: Support for LB 1013

Dear Senator Gloor and Members of the Committee:

On behalf of the Lincoln-Lancaster County Board of Health, I am writing in support of LB 1013 to significantly increase the tax on tobacco products in Nebraska. The health and economic benefits of this tax increase are many. As a result of this tax increase fewer youth will start using tobacco and more youth and adults who are currently using tobacco will quit. As Board of Health members, we recognize that this reduction in tobacco use will have immediate as well as long term health benefits for thousands of Nebraskans resulting in improved quality of life for individuals and reduced health care costs statewide.

In addition to the obvious health benefits of less tobacco use, the manner in which the new revenue is distributed will further benefit the health of Nebraskans. As President of the Lincoln-Lancaster County Board of Health, I will comment specifically on the distribution to Tobacco Cessation and Prevention and to Public Health Districts.

The additional one million dollars to address tobacco use and prevention will allow Tobacco Free Nebraska and its coalitions across the State to increase their efforts to keep children from starting to use tobacco, to help tobacco users quit, and to promote the business and housing benefits of tobacco free environments. The additional revenue provided by passage of LB 1013 will allow our coalition and others to step up their efforts to further protect our public from the health hazards of tobacco.

The six million dollars identified for Public Health Districts will be used to address priority public health issues identified by each public health department and its community partners. The statewide system of local public health departments works collaboratively with local providers



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and community organizations to assess local health needs, identify strategies to meet those needs and develop health policies. Our Lincoln-Lancaster County Health Department (LLCHD), with assistance from well over one hundred community stakeholders, has recently completed its Community Health Improvement Plan (CHIP). With the added funding provided by passage of LB 1013, LLCHD will address strategies identified in the CHIP.

I urge you, Senators, to take the bold step of supporting passage of LB 1013.

Respectfully,

Heidi J. Stark, DDS, President

Lincoln-Lancaster County Board of Health

CC: Lancaster County Senators

Denise K. Pearce, City of Lincoln

Eric Gerrard, City of Lincoln

Molly Burton, City of Lincoln

Judith A. Halstead, Lincoln-Lancaster County Health Department

Senator Mike Gloor, LB 1013, 2016

What does LB 1013 do and by how much:

Cigarette tax Increase of \$1.50 to a total of \$2.14 per pack

The amount to the General Fund remains the same as it is now (49 cents)

Tobacco products increase from current 20% to 31% of wholesale

Estimated revenue: \$120 Million from cigarette tax, \$4.5 Million from tobacco products.

Distribution of new revenue:

- ***\$45 Million to the Property Tax Credit Fund***
- ***\$45 Million to the Dept. of Revenue for the personal property tax exemption***
- ***\$30 Million to the Health Care Cash Fund for health related items***

From the Health Care Cash Fund: (in addition to any amount they may already receive)

- \$ 1M to Tobacco Cessation and Prevention
- \$ 3M to Federally Qualified Health Centers
- \$ 6M to Public Health Districts
- \$ 1.5M to EMS and firefighter training and recruitment
- \$ 2M to behavioral health provider rate stabilization
- \$ 500,000 to the Health Care Services Transformation Fund/Act (LB 549)
- \$ 1M to Area Health Education Centers
- \$ 4M to College of Public Health
- \$ 10M to Cancer and smoking related illness through the biomedical research program
- \$ 1M to Behavioral Health Education Centers of Nebraska

The revenue generated by an increase in tobacco products would go to the Tobacco Products Administration Cash Fund and most likely lapse to the General Fund as the current carry over does.

Statistics related to smoking cigarettes

Estimates based on historic projections of the American Cancer Society and the Campaign for Tobacco Free Kids

Annual health care costs in Nebraska directly caused by smoking: \$795 Million

Portion of that covered by Nebraska Medicaid: \$162.3 Million

5-year Nebraska Medicaid program savings: 1.87 Million

Long-term health care cost savings from adult and youth smoking decline: \$493.44 Million

5-year reduction in the number of smoking affected pregnancies and births: 2900

5-year health care cost savings from fewer smoking-cause lung cancer cases: \$2.14 M

5-year health care cost savings from fewer smoking-affected pregnancies and births: \$6.97 M

5-year health care cost savings from fewer smoking-caused heart attacks and strokes: \$4.36

Percentage of adults in Nebraska who smoke: 18.5% (261,700)

Number of adult Nebraskans who die each year from smoking in Nebraska: 2500

Current adult smokers who would quit: 12,300

Premature smoking-caused deaths prevented: 7,000

Nebraska high school students who smoke: 10.9% (11,000)

Number of youth that start smoking each day: 1,800

Nebraskans currently under 18 who will be at risk in adulthood of premature death due to smoking: 38,000

Percentage decrease in youth smoking with \$1.50 increase: 17.3%

Nebraska youth who will avoid becoming a smoker with the tax increase: 12,100

Current state ranking: 40th out of 50

Last Nebraska increase was in 2002 – 14 years ago

At \$2.14 per pack tax: 13th out of 50

Current highest state+local cigarette tax rate is \$6.16 in Chicago, New York is \$5.85 per pack.